# Responses to Questions
## Services and Expanded Opportunities in the Collection and Processing of Child Support Payments – RFI #2796

| # | Offeror Question | Answer |
|---|------------------|--------|
| 1 | **Q: General** – Please provide the current organizational structure of the SDU operations, including position title, number of FTEs. | **A:** SD SDU currently has 8 full-time individuals in the following positions.<br><br>1 – Program Specialist I<br>1 – Program Assistant II<br>2 – Accounting Assistants<br>3 – Sr Claims Clerks<br><br>All positions are managed by the Program Specialist (SDU Supervisor) in the organization structure. |
| 2 | **Q: General** – What are the primary pain points or issue the State is currently experiencing that is impacting your ability to process payments in timely manner (e.g., software constraints or throughput, scanner constraints or throughput, human resources, other)? | **A:** The following is a few items identified as operational pain points.<br><br>Items provided relate to long-standing processes that load directly into the Child Support legacy system.<br>1) The existing process for loading EFT payments into our system is subject to issues that result in increased technical support to resolve and load the payments. For example, use of the decimal point<br>2) The support and/or assist employers with submission of child support payments through credit cards or EFT processes. |
| 3 | **Q: General** – Would the State consider an alternative operational model where the State continues to manage the mail opening and scanning along with any necessary research to resolve | **A:** The State feels the alternative operational model described would impede the |

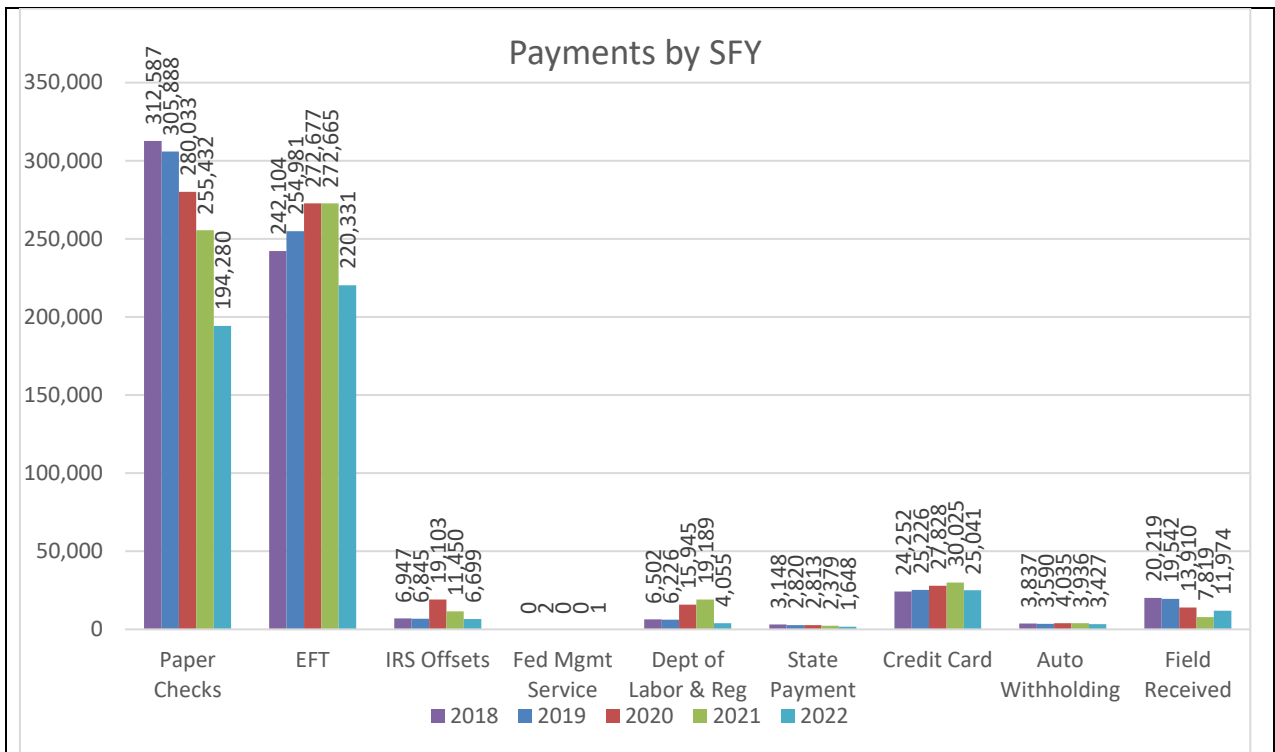| | exception items, while the software provider provides remote processing for the State? | ability to maximize existing resources.<br><br>However, if the Vendor feels it should be considered, they may choose to submit this model, along with the appropriate supporting information for review. |
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| 4 | **Q:  General** – Should you choose to move forward with a full service SDU RFP, will you require vendors to have minimum experience operating at least three SDU's so the State does not encounter issues with a vendor that does not have the necessary child support payment processing expertise to ensure a smooth implementation? | **A:** The State respectfully declines to comment on this question.<br><br>The information requested is not directly related to this Request for Information. |
| 5 | **Q:   General** – Please list the number of scanners and associated model numbers currently being used by the State to scan mail and incoming documents. | **A:** The State currently utilizes two IBML 1085 scanners to process all mail received in the SDU. |
| 6 | **Q:  1.3. Submitting Your Proposal** – Please confirm the subject line should be ***RFI 2796 SFTP*** Request vs "RFP" to request SFTP access. | **A:** The State agrees, the email subject line should reflect, "RFI 2796 SFTP request." |
| 7 | **Q:  2.1 Payment Processing** – In regard to processing foreign currency payments same day, please provide the name of the State's depository bank currently used for the SDU. | **A:**  The State respectfully declines to comment on this question.<br><br>Specific banking information is not applicable at this time. |
| 8 | **Q:  2.1 Payment Processing** – What is the average number of envelopes received for processing from the post office on a high-volume day (e.g. day after a holiday, beginning of a month)? | **A:** The State does not retain envelope count but rather check count.<br><br>• 12/31- 1/3 the SDU recorded 760 checks processed.<br>• 4/15 – 4/19 (Easter) the SDU recorded 643 checks processed. |

| 9 | **Q: 2.1 Payment Processing** – could the State elaborate on the daily SDU mail pickup schedule from the post office?<br><br>    a. What is current pick-up schedule?<br>    b. What is earliest mail pickup availability?<br>    c. Please provide the average number of envelopes picked up each day of the week. | **A:** The SDU staff does not pick mail up directly from the post office. SD's Central Mail receives all mail for the state where it is sorted and delivered throughout the day.<br><br>Current envelope count is not retained which would include non-payment envelopes received.<br><br>Most of the envelopes are payments with or without supporting documentation. Average daily payments in April 2022:<br><br>Monday – 437<br>Tuesday – 353<br>Wednesday – 378<br>Thursday – 234<br>Friday - 226 |
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| 10 | **Q: 2.1 Payment Processing** – What is the cut off time for transmitting:<br><br>    a. ICL to the State's bank?<br>    b. Collections file to the State's CSE system? | **A:** The timelines for submission to the state bank and the CSE system is not currently determined for this RFI.<br><br>However, the ICL submission and collections file uploaded to the CSE system are currently processed at the same time.<br><br>Standard cut off times are not utilized; but may be determined on a day-by-day basis. |
| 11 | **Q: 2.2 Payment option expansion** – Please provide the following information in regards to payment options:<br><br>    c. What is the number of NCPS currently approved for the AWI process? | **A:** There are approximately 350 individuals currently approved for AWI.<br><br>SDCL25-7A-23 allows DCS to enter into alternative payment agreements with the |

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| | d.  What qualifies an NCP for the AWI option? | NCP. The AWI process is currently managed through the legacy system. Each case requires review to determine eligibility to utilize this payment method. |
| 12 | **Q: 2.3 Non-Custodial Parent and Employer web-portal** – Please provide the number of registered users enrolled on the portal currently. | **A:** The state currently does not have a specific portal for Non-Custodial Parents an Employers for payments.<br><br>Currently the credit card functionality available to NCP's is housed inside the secured DCS Customer Connect website. |
| 13 | **Q: 2.4 Digital Push Notifications** – Please provide the average number of notifications send via US Postal service. | **A:** ** thinking about the 446A billing notice (5656), the 475 (225), billing transmittals (2794), CB Notices (361), and 475Z (165) we are looking at 9,201 items mailed by the USPS.<br><br>The State has approximately 9,000 notifications issued to the NCP throughout the month. |
| 14 | **Q: 2.5 Credit Card machines and/or Kiosks** – Please provide the number or planned locations DCS is considering this service to be located at. | **A:** The State has not determined the locations for Kiosks but presume credit card machines (if used) would be available in all 8 field office locations in addition to any location identified outside DCS offices.<br><br>We would be interested in placement recommendations based on past experience. |
| 15 | **Q: General** – Could the State provide volumes for SFY 2018 and 2019 for more accurate projections going forward in a pre-pandemic setting? | **A:** See below |

### Payments by SFY

| Category | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Paper Checks | 312,587 | 305,888 | 280,033 | 255,432 | 194,280 |
| EFT | 242,104 | 254,981 | 272,677 | 272,665 | 220,331 |
| IRS Offsets | 6,947 | 6,845 | 19,103 | 11,450 | 6,699 |
| Fed Mgmt Service | 0 | 2 | 0 | 0 | 1 |
| Dept of Labor & Reg | 6,502 | 6,226 | 15,945 | 19,189 | 4,055 |
| State Payment | 3,148 | 2,820 | 2,813 | 2,379 | 1,648 |
| Credit Card | 24,252 | 25,226 | 27,828 | 30,025 | 25,041 |
| Auto Withholding | 3,837 | 3,590 | 4,035 | 3,936 | 3,427 |
| Field Received | 20,219 | 19,542 | 13,910 | 7,819 | 11,974 |

| # | Q | A |
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| 16 | **Q: General** – What is the current total cost for operating the SDU? | **A:** The State respectfully declines to answer.<br><br>If a procurement is completed in the future, it may be provided at that time. |
| 17 | **Q: 2.0 Project Description** – In regards to the "Payments by SF" table, are the transaction volumes listed for IRS Offsets, Fed Mgmt Service, Dept of Labor & Reg, State Payment, Credit Card, Auto Withholding and Field Received considered billable transactions above and beyond the Paper Checks and EFT? If so, could you clarify if the payments for IRS Offsets, Fed Mgmt Service, Dept of Labor & Reg, State Payment, Auto Withholding and Field Received are received manually (paper check) or electronically? | **A:** Many of these payments are discussed within the RFI. Any payment coming electronically is generally received via EFT, however, specific payment types are split into different columns to represent the amount of each payment type received.<br><br>Any issues with the electronic payments require manual intervention. As a general rule, only Paper Checks and Field payments are manually worked. |

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| 18 | **Q:** How often do NCP's make payments?  Weekly, Bi-weekly or Monthly? | **A:** NCPs are able to pay as frequently as they are able to and would like to.<br><br>Although daily payments are not common, the State would process those payments if submitted for a case. |
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| 19 | **Q:** What percentage of NCP's pay in foreign currency? How is this process currently handled? | **A:** The State currently does not have the ability to easily obtain this information. Foreign payments are small in number and come from both countries and NCP's.<br><br>The current process takes the payments to the bank for conversion, once completed the payment is manually added to the legacy system for processing. |
| 20 | **Q:** How is cash currently transferred from the local office to financial institutions? | **A:** Cash received in local offices is personally delivered to a local bank for deposit daily so the payment can be processed timely. |
| 21 | **Q:** Would vendor need to send payments to custodial parent?  Can payments be transferred to a credit/debit card or bank account, or do they need to be sent by paper check? | **A:** Should the state choose full SDU services, the State anticipates payments to be imported into the legacy system for further distribution and disbursement. |
| 22 | **Q:** Will all DCS officers be authorized to see all client payments, or only for those cases which are assigned to them for supervision. | **A:** There has been no discussion regarding access to a system. Any service obtained through an RFP would include access requirements for staff. |
| 23 | **Q:** Are you required to take paper checks and money orders? Would you consider a process which eliminated the ability for payments to be submitted by mail - substituting electronic bank withdrawals in lieu of paper checks and money orders? | **A:** The State feels any payment submitted should be accepted unless there exists a history of fraud, non-sufficient funds, or other items determined based on case circumstances. |

|  |  | There are individuals who currently receive payments and are not able to get a bank account. It should be presumed there are NCPs with this same circumstance. |
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| 24 | **Q:** Are NCP's payments ever split between wage garnishment and another source, or is it always one source? | **A:** Yes, there are cases where there are payments received from different sources. |
| 25 | **Q:** Is there an estimated value for these services? | **A:** The State does not have an estimated value for these services.<br><br>The RFI to identify cost and thus determine estimated value based on the information obtained. |
| 26 | **Q:** General - Is this an RFI or a formal RFP? The wording in the document is mostly RFI, though also mentions RFP and seems to be requesting an actual formal proposal. | **A:** The State clarifies, this is being published as a Request for Information. |
| 27 | **Q:** General - Are the "payments" referred to on page 4 in the table "Payments by SFY" indicating payments from non-custodial parents into the DCS, or payments made by the DCS out to custodial parents? | **A:** The information provided only provides details on payments being received. |
| 28 | **Q:** Section 2.2 – When a parent makes a non-custodial payment does the payment process include use of a billing account number, case# or some unique number? If so, what is the structure of this number, i.e., all numeric characters, numeric and alpha characters? | **A:** All payments should be submitted with the individuals case number or SSN. South Dakota case numbers are 10 characters- 9 numeric and 1 alpha.<br>(example) 123456010A |
| 29 | **Q:** Section 2.2 – For the Non-Custodial payments processed through US Bank e-payment system does the Department of Child Support require remittance informant to be provided once a day via a batch file, multiple times per day via file or real-time? | **A:** All payments made through the ePayment system are provided once a day. The file received is processed through batch and uploaded into the legacy system. |
| 30 | **Q:** Section 2.2 – When making credit card, debit or e-check payments are the parents required to register | **A:** Currently, when passed into the ePayment system, |

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| | (create a user ID and password) or are guest payments also supported? | NCPs are considered a guest. |
| 31 | **Q:** Section 2.2 – What languages are required for the web and future IVR payment options? | **A:** Current IVR services are provided in English and Spanish and would need to continue. |
| 32 | **Q:** Section 2.3 – Does the scope include providing a web portal where Non-Custodial Parents and Employers can make payments online? Or does it require the integration of digital payment collections into an existing web portal? If an existing portal is this provided by a third party (e.g., shopping cart like Magento, Big Commerce, Shopify, etc.) or is it managed by DCS? | **A:** Any online access that would be available to constituents may require the use of the existing MySD single sign-on portal. <br><br> DCS Customer Connect is an application developed through the States Bureau of Information and Telecommunications. |
| 33 | **Q:** Section 2.3 – Are there any requirements to support Convenience Fees, Services Fees, or Surcharging capabilities for online payments? | **A:** Any services requiring a fee or surcharge should be identified in the response for the State to review. |
| 34 | **Q:** Section 2.3 – What settlement model is required for online payment collections? For example, gross settlement where the billed amount to the customer is deposited into the settlement account and the interchange and other payment fees are billed at month-end? Or a net model where the payment fees, including interchange are deducted from the billed amount to the customer prior to settlement? | **A:** The State currently covers all fees associated with online payments. Those fees are billed and paid monthly. |
| 35 | **Q:** Section 2.3 – Please provide more detail regarding your requirements for freeform text communication. | **A:** The State would like the ability to communicate directly with consumers through the portal in a secured manner. The method of communication (i.e., email format, messaging, etc.) may vary depending on functionality identified within Vendor responses. |
| 36 | **Q:** How many local offices (locations) across the state receiving payments intended for the SDU? | **A:** There are 8 local offices across the state that currently receive payments. |

| 37 | **Q:** What is the average daily volume of payments received from local offices then forwarded to the SDU for payment posting? | **A:** See Chart below |
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| | | Office 1 | Office 2 | Office 3 | Office 4 | Office 5 | Office 6 | Office 7 | Office 8 | State Office Walk-Ins |
|---|---|---|---|---|---|---|---|---|---|---|
| | July 21 | 51 | 457 | 51 | 49 | 117 | 10 | 221 | 110 | 43 |
| | August 21 | 65 | 494 | 61 | 34 | 118 | 2 | 243 | 94 | 49 |
| | September 21 | 72 | 429 | 57 | 33 | 127 | 17 | 280 | 92 | 39 |
| | October 21 | 74 | 425 | 62 | 34 | 117 | 18 | 286 | 97 | 77 |
| | November 21 | 59 | 442 | 48 | 38 | 171 | 10 | 280 | 78 | 54 |
| | December 21 | 61 | 440 | 59 | 36 | 120 | 19 | 344 | 88 | 48 |
| | January 22 | 65 | 442 | 51 | 48 | 194 | 6 | 278 | 88 | 31 |
| | February 22 | 54 | 440 | 70 | 36 | 142 | 26 | 271 | 90 | 56 |
| | March 22 | 74 | 505 | 64 | 66 | 137 | 11 | 302 | 113 | 69 |
| | April 22 | 65 | 473 | 56 | 51 | 134 | 20 | 320 | 80 | 46 |

| 38 | **Q:** Section 2.2, Payment Option Expansion, includes a statement, "All electronic payments received are loaded directly to the mainframe for distribution and disbursement." Does the Division of Child Support expect the vendor system to accept and process electronic payments in the future, or will those payments continue to be received and loaded directly to the mainframe for distribution and disbursement?<br><br>Consolidating all payment information and records within the vendor payment system facilitates research related to disputed payments and enables a "one stop shop" for all payment searches and inquiries. In addition, allowing vendors to process electronic payments creates incentive for SDU vendors to move remitters from paper to electronic. | **A:** The State is willing to consider having different payment processes load to a single system.<br><br>Vendors are encouraged to provide this type of information in their responses. |
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| 39 | **Q:** What systems are currently being used to collect payments, and what (if any) portions of your process are manual? | **A:** All EFT payments go through our State Auditor's Office and placed into a file for processing. Any software utilized for this is not known at this time.<br><br>Hard copy payments processed in the SDU use the *Quick* Module system from Fairfax Software.<br><br>Any other payments (Cash, field payments) are manually |

| | | added to the legacy system by staff. |
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| 40 | **Q:** How do you maintain accurate identification and reconciliation of payments? | **A:** Accounting staff work with the DSS Finance office to ensure reconciliation occurs.<br><br>Paper check processing in existing software retains audit trails that track payments as they enter and leave the system. From that point audit trails are maintained on the legacy system. |
| 41 | **Q:** What type of file format is accepted into mainframe? | **A:** Any information loaded into the legacy system must have a specific length within the system for successful processing.<br><br>Additional details on this criterion, will be specified if an RFP is published. |
| 42 | **Q:** What type of fraud protection services are you using for check\warrant, ACH, Wire payments? | **A:** In addition to the numerous internal reviews completed as payments are processed, the fraud protection provided by our state bank is utilized. The specifics of the services used is not known. |
| 43 | **Q:** How many child support payments does DCS distribute annually, and what number are distributed via ACH, check/warrant, or other payment method? | **A:** See Below. SFY 2022 is through April 2022. |

**State Fiscal Year 2021**

Direct Deposit 289,228 58%
EPC 195,564 40%
Warrant 11,503 2%

**State Fiscal Year 2022**

Direct Deposit 251,784 59%
EPC 163,638 39%
Warrant 9,639 2%